IN THE UNITED STATES DISTRICT COURT NORTHERN DISTRICT OF TEXAS DALLAS DIVISION

CLERK US DISTRICT COURT

2012 DEC -7 PM 4: 06

DEPUTY CLERK

LISA BLACKBURN,

Plaintiff,

v.

CYPRESS EQUITIES I, LP, CYPRESS **EQUITIES OPERATIONS, LP and CHRIS** MAGUIRE,

§

CIVIL ACTION NO.

3-12CV-5030 D

Defendants.

PLAINTIFF'S ORIGINAL COMPLAINT AND JURY DEMAND

Plaintiff Lisa Blackburn ("Plaintiff" or "Blackburn") files this Original Complaint and Jury Demand against Defendants Cypress Equities I, LP ("CE I"), Cypress Equities Operations, LP ("CE Ops") (collectively, "Cypress"), and Chris Maguire ("Maguire") (collectively, "Defendants"), and respectfully shows the following:

Jurisdiction and Venue

- This is a suit instituted pursuant to the provisions of the Equal Pay Act, 29 U.S.C. 1. § 206(d). Therefore, this Court has federal question jurisdiction under 28 U.S.C. §§ 1331-1332.
- This Court has supplemental jurisdiction over state law claims discussed below 2. under 28 U.S.C. § 1367(a) because they arise out of the same case or controversy.
- Venue is proper in this District under 42 U.S.C. § 2000e-5(f)(3) because the 3. unlawful employment practices were committed in this District. Blackburn worked at Cypress' offices located in Dallas, Dallas County, Texas, which is in this District and Division. The employment records relevant to the alleged unlawful employment practices are maintained and

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administered in this District and Division. A substantial part of the events or omissions giving rise to this lawsuit occurred in this District and Division.

Parties

- 4. Blackburn is an individual residing in Dallas County, Texas.
- 5. CE I is a Texas limited partnership with its principal office in Dallas, Texas. CE I conducts substantial business in the Northern District of Texas and employed Blackburn in this District and Division. CE I may be served through its registered agent, Brian Parro, located at 8343 Douglas Avenue, Suite 200, Dallas, Texas, 75225.
- 6. CE Ops is a Texas limited partnership with its principal office in Dallas, Texas. CE Ops conducts substantial business in the Northern District of Texas and employed Blackburn in this District and Division. CE Ops may be served through its registered agent, Brian Parro, located at 8343 Douglas Avenue, Suite 200, Dallas, Texas, 75225.
- 7. Maguire may be served at his business address located at 8343 Douglas Avenue, Suite 200, Dallas, Texas, 75225.

Facts

8. Before May 2008, Blackburn was employed by the Dallas office of Patton Boggs, a prestigious national law firm. She was encouraged by an acquaintance to interview for a position as corporate counsel with Cypress Equities.¹ Numerous Cypress Equities executives, including its former General Counsel, Russell Shelton ("Shelton"), interviewed Blackburn and determined she would be a good fit for the position. Cypress offered Blackburn the corporate counsel position with a base salary of only \$140,000.00, less than she was earning at her law

¹ "Cypress Equities" is a name used by numerous entities ultimately owned and/or controlled by Maguire. The "Payor" on Blackburn's original paychecks was CE I. In February 2009, CE Ops was formed; CE Ops became the "Payor" on Blackburn's paychecks on or about July 10, 2009. Blackburn performed work for many entities operating as "Cypress Equities" during her tenure with Cypress.

firm position. However, Cypress promised Blackburn she would receive annual bonuses and raises which would significantly increase her overall compensation.

- In reliance on the promises of Cypress, Blackburn resigned from her position at 9. Patton Boggs and began working for Cypress on or about May 30, 2008. She initially reported to Shelton, Cypress' General Counsel. However, in September 2009, Cypress demoted Shelton and awarded his position (and large executive-view office) to Blackburn. Shelton remained at Cypress for a period of time following his demotion, and Blackburn (in her new capacity as General Counsel) assigned work to Shelton.
- 10. Blackburn assumed the General Counsel role in September 2009, and moved into Shelton's former office in January 2010. Maguire promised Blackburn she would receive a pay raise in acknowledgement of her increased responsibilities. In her new role as General Counsel, Blackburn reported directly to Maguire.
- 11. After she became General Counsel, Blackburn continued to be paid her starting salary of \$140,000.00 per year - less than Shelton's base salary and bonuses. Blackburn was paid less for doing the same or even more work as compared to Shelton and was, in fact, assigning work to Shelton after his demotion. Even after Shelton left Cypress, Blackburn continued to be paid her entry level salary and never received any of her promised raises. Blackburn performed work that required equal skill, effort and responsibility as that previously performed by Shelton and performed this work under similar working conditions. Indeed, by all accounts, Blackburn performed more successfully in the role of General Counsel than had Shelton. Nevertheless, Cypress paid Blackburn significantly less than Shelton (and the other male direct reports to Maguire).

- 12. Blackburn brought this salary disparity to Maguire's attention on several occasions and asked Cypress to increase her salary so that it would be comparable to that of her predecessor and male peers. In the summer and fall of 2010, Blackburn met with Maguire to discuss Cypress' failure to address the disparity in her compensation. Maguire acknowledged that Blackburn was underpaid and assured her that her compensation would increase to a level commensurate with her position.
- 13. By December 2010, Blackburn still had not received a raise and continued to only make her entry level salary, \$140,000.00. She was paid a \$25,000.00 bonus that year—the only bonus she earned during her employment, despite promises to the contrary.
- 14. During 2011, Blackburn continued to have discussions with Maguire about her compensation. In April 2011, Maguire told Blackburn that no one at Cypress received raises that Blackburn later discovered this statement was untrue and confronted Maguire. He admitted that he had lied to Blackburn about her compensation. However, by the end of 2011, Blackburn still had not received a raise.
- 15. On July 23, 2012, Blackburn made a formal written complaint about violations of the Equal Pay Act (as well as violations of Title VII). Cypress, through its outside litigation counsel, retained an investigator to interview Blackburn and investigate her complaints. Blackburn met with the investigator on August 1, 2012 and provided the investigator with a detailed narrative regarding her concerns.
- 16. From July through October 2012, Blackburn was shunned by Maguire and Cypress' other male senior executives. Her expense reports were scrutinized to a degree she had never before experienced. Ordinary business interactions with Maguire and Cypress' other male

senior executives whittled, and she was excluded from lunches and social outings with Maguire's other direct reports.

- 17. On numerous dates over a period of nearly two months, Blackburn requested updates regarding the investigation; Blackburn also complained about retaliation by Cypress. Rather than responding to Blackburn's communications, the investigator completed the investigation without any further interview of Blackburn following their initial August 1st meeting. Cypress' Human Resources Director, Cynthia Ball ("Ball"), finally scheduled a meeting with Blackburn for September 25, 2012 to discuss the results of the investigation. On September 24, 2012, the day before the meeting, Ball presented Blackburn with a stack of legal documents, stating that an audit of her personnel file revealed that she had not signed various "routine" legal documents. Cypress demanded that the documents be signed that day.
- 18. On September 25, 2012, Blackburn met with Ball, who informed her that the investigation revealed no violations. Cypress again demanded that the stack of legal documents be signed that day on threats of immediate termination. The same day, Blackburn was also given a negative performance review—her first and only review with Cypress. The negative performance review included false allegations and cited violations of policies that did not previously exist. Cypress eventually granted Blackburn seven (7) days to review the stack of legal documents, but suspended her from performing any work for Cypress during this review period. Blackburn immediately began to contact lawyers to assist her with review of the documents. Although she had not yet formally retained counsel by Cypress' arbitrary deadline, Blackburn timely responded by submitting comments regarding the documents. Blackburn never refused to sign the documents. Rather than considering Blackburn's comments, Cypress summarily terminated her employment on October 2, 2012.

Conditions Precedent

19. All conditions precedent to Blackburn's recovery have been performed or have occurred.

CAUSES OF ACTION

A. Equal Pay Act Violation

- 20. Blackburn realleges and incorporates by reference the facts set forth above.
- 21. Cypress and Maguire were Blackburn's "employers" as defined in the Equal Pay Act. In contravention of Blackburn's rights under the Equal Pay Act, 29 U.S.C. § 206(d), Blackburn was paid less for doing the same or even more work compared to similarly situated male employees and, in fact, was assigning work to Shelton for a period of time while Shelton earned more money than Blackburn.
- 22. Blackburn held the title of General Counsel and worked in that role and capacity since September 2009. She was paid less than her male predecessor even though she performed substantially equal work. The work performed by Blackburn required equal skill, effort and responsibility, and was performed under similar working conditions.
- 23. The difference in the amount paid to Blackburn and her male peers was not the result of a seniority system, a merit system, a system which measures earnings by quantity or quality of production, or a differential based on any factor other than sex.
- 24. Defendants were aware of the salary disparity and willfully paid Blackburn less than half the base salary of her direct male comparator and less than one quarter of his bonus. Blackburn brought the disparity to Maguire's attention on several occasions, both orally and in writing, and asked Defendants to rectify the disparity. Defendants acknowledged that Blackburn

was underpaid compared to her peers and repeatedly promised to raise her salary. Despite these promises, Blackburn never received comparable pay to her male counterpart.

- 25. Defendants violated the Equal Pay Act, 29 U.S.C. § 206(d) by discriminating between employees on the basis of sex by paying male employees more than Defendants paid Blackburn for equal work, the performance of which required equal skill, effort and responsibility and which was performed under similar working conditions. This violation of the Equal Pay Act was willful.
- 26. Blackburn seeks to recover all damages she has suffered as a result of the Defendants' violations of the Equal Pay Act, including her salary and bonus underpayment, liquidated damages, interest, and her reasonable and necessary attorneys' fees and costs, as well as any other legal or equitable relief to which Blackburn may be entitled.

B. Retaliation in violation of the Equal Pay Act

- 27 Blackburn realleges and incorporates by reference the facts set forth above.
- 28. Defendants' conduct as set forth herein constitutes unlawful retaliation in violation of 29 U.S.C. §216(b). Defendants retaliated against Blackburn by terminating her employment because she opposed and complained about the unlawful gender discrimination Defendants caused her to suffer.
- 29. Defendants' conduct as described herein constitutes unlawful, intentional retaliation as prohibited by 29 U.S.C. §216(b). Blackburn is entitled to recover actual damages as well as compensatory damages. Additionally, Defendants engaged in unlawful retaliation with malice or with reckless indifference to Blackburn's protected rights. Accordingly, Blackburn is entitled to recover punitive damages.

C. Fraud

- 30. Blackburn realleges and incorporates by reference the facts set forth above.
- 31. When they hired Blackburn, Maguire and Cypress promised that she would receive regular salary increases and bonuses to bring her compensation to a level commensurate with what she was leaving behind in private practice. Later, when Blackburn was promoted to General Counsel, Maguire and Cypress acknowledged that Blackburn was underpaid and promised to bring her compensation to a level commensurate with her new duties and strong job performance. These representations were false and were made with the intent that Blackburn rely on them in order to accept a position with Cypress for below-industry base salary. The promises made to Blackburn after her promotion were made to induce her to remain at Cypress and assume increased responsibility in her capacity as General Counsel. Cypress and Maguire knew the representations were false or that they had no intention of fulfilling such promises. The discussion of Blackburn's compensation was merely a charade designed to induce Blackburn to work for Cypress at below-market compensation.
- 32. Blackburn relied on the representations by accepting employment with Cypress. As a proximate result of the false representations by Maguire and Cypress, Blackburn has suffered injuries in an amount in excess of the minimum jurisdictional limits of this Court. In addition, because these actions were undertaken willfully and maliciously, Blackburn is entitled to recover exemplary damages.

Attorneys' Fees

- 33. Blackburn realleges and incorporates by reference the facts set forth above.
- 34. As a result of Defendants' blatant violations of the Equal Pay Act and unlawful retaliation, Blackburn was required to retain attorneys to represent her in this action. Blackburn

therefore seeks recovery of her reasonable attorneys' fees, expenses and costs, as permitted under the Equal Pay Act.

Jury Demand

35. Blackburn requests a jury trial on all contested issues of fact.

Prayer

Blackburn prays that the Court award her judgment against Defendants for the following:

- a. Back pay, including, without limitation, Blackburn's lost wages, bonuses and benefits from October 25, 2009 to the present;
 - b. Liquidated damages in an amount that is equal to Blackburn's back pay wages;
 - c. Compensatory damages for Defendants' unlawful retaliation against Blackburn;
 - d. Attorneys' fees and costs of court;
 - e. Exemplary damages;
 - f. Pre-judgment and post-judgment interest at the highest rate permitted by law; and
 - f. All other relief to which Blackburn is justly entitled.

Respectfully submitted,

KEITH A. CLOUSE

State Bar No. 04410300

ALYSON C. BROWN

State Bar No. 04873500

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ATTORNEYS FOR PLAINTIFF

Document 2 Filed 12/07/12 Pa

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of

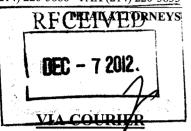
initiating the civil docket shee	t. (SEE INSTRUCTIONS ON THE REVERSE OF THE	E FORM.)			
I. (a) PLAINTIFFS Lisa Blackburn			DEFENDANTS Cypress Equities I, LP, Cypress Equities Operations, LP and Chris Maguire		
(c) Attorney's (Firm Name Keith & Clouse a Clouse Dunn LLF	TCEP IN U.S. PLAINTIFF CASES)	NOTE: IN LAN	County of Residence of First Listed Defendant (IN U.S. PLAINTIFF CASES ONLY) NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE LAND INVOLVED. Attorneys (If Known) 2 - 1 2 C V - 5 0 3 0 D		
II. BASIS OF JURISOICTION (Place an "X" in One Box Only) III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff					
1 U.S. Government Plaintiff	3 Federal Question (U.S. Government Not a Party)		TF DEF 1		
☐ 2 U.S. Government Defendant	 4 Diversity (Indicate Citizenship of Parties in Item III) 	Citizen of Another State	1 2		
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CONTRACT ☐ 110 Insurance ☐ 120 Marine ☐ 130 Miller Act ☐ 140 Negotiable Instrument ☐ 150 Recovery of Overpayment	Slander □ 368 Asbestos Person Liability □ 150 Marine □ 370 Other Fraud Liability □ 370 Other Fraud Liability □ 371 Truth in Lendin □ 355 Motor Vehicle □ 385 Motor Vehicle Product Liability □ 385 Property Damag		422 Appeal 28 USC 158 423 Withdrawal 28 USC 157 423 Withdrawal 28 USC 157 PROPERTY RIGHTS 320 Copyrights 830 Patent 840 Trademark 840 Trademark SOCIAL SECURITY 861 HIA (1395ff) 862 Black Lung (923) 863 DIWC/DIWW (405(g)) 864 SSID Title XVI 865 RSI (405(g)) FEDERAL TAX SUITS 870 Taxes (U.S. Plaintiff or Defendant) 871 IRS—Third Party 26 USC 7609	White the content of the content o	
V. ORIGIN Proceeding Proceeding Place an "X" in One Box Only) Remanded from Appellate Court Appeal to District Reopened Appeal to District Reopened Transferred from another district (specify) Appeal to District Judge from Magistrate Judgment					
VI. CAUSE OF ACTION Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity): Equal Pay Act, 29 U.S.C. 206(d) Brief description of cause:					
VII. REQUESTED IN ☐ CHECK IF THIS IS A CLASS ACTION DEMAND S CHECK YES only if demanded in complaint: COMPLAINT: UNDER F.R.C.P. 23 JURY DEMAND: Ø Yes ☐ No					
VIII. RELATED CASE(S) (See instructions) PENDING OR CLOSED: JUDGE DOCKET NUMBER					
DATE 12/07/12 SIGNATURE OF ATTORNEY OF RECORD					
FOR OFFICE USE ONLY					
RECEIPT #— AMOUNT — APPLYING IFP — JUDGE — MAG. JUDGE					

ALYSON C. BROWN

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December 7, 2012

Clerk, United States District Court Northern District of Texas - Dallas Division 1100 Commerce Street, Room 1452 Dallas, Texas 75242

> Lisa Blackburn v. Cypress Equities I, LP, Cypress Equities Operations, LP RE: and Chris Maguire

Dear Clerk:

Enclosed for filing in the above-referenced matter is an original and three (3) copies of the following documents:

- 1. Civil Service Cover Sheet;
- Plaintiff's Original Complaint and Jury Demand; 2.
- 3. Plaintiff's Certificate of Interested Persons; and
- 4. Summons.

Also enclosed is our firm's check in the amount of \$350.00 in payment of the filing fee. Please file these documents and return a file-stamped copy of same to me by way of the waiting courier.

Should you have any questions, please do not hesitate to contact me. Thank you for your assistance in this matter.

Very **Mul**ly yours

Alyson C Brov

ACB/rdm

Enclosures (incl. 1 check)

CLOUSEDUNN LIP

PALLAS, TEXAS 72270-2142
TRIALATTORNEYS

Clerk, U.S. District Court Northern District of Texas Dallas Division 1100 Commerce Street, Room 1452 Dallas, TX 75242

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